

# **GUIDELINES FOR CONTRACT INSPECTORS**



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**\*References made to he, she, him, or her, are inclusive of both female and male genders.**

# DEFINITIONS

**ACCELERATION:** Acceleration is the term for moving up the project completion date. A contractor directed to accelerate is entitled to an equitable adjustment for any extra costs associated with meeting the new deadline.

A constructive acceleration can occur when the Contracting Officer refuses to allow an excusable delay and thereby “moves the date up” without changing the actual date for project completion.

**ACCEPTANCE:** The act of an authorized representative of the government by which the government assumes ownership of existing identified supplies tendered or approves specific services rendered as partial or complete performance of the contract.

**ACTUAL AUTHORITY:** The real and genuine power conferred upon an agent to bring about or effect legal relations of the principal with third parties. There are two types – express and implied.

**AGENCY:** A relationship between two persons by agreement or otherwise where one (the agent) may act on behalf of and bind the other (the principal) by words or actions.

**AGENT:** A person authorized by another (the principal) to act for or in place of him.

**APPARENT AUTHORITY:** Authority which arises out of the conduct of the principal whereby a third person is reasonably induced to rely on the assumption that actual authority exists.

**BILATERAL CONTRACT:** A contract in which there are mutual promises between both parties to the contract.

**BREACH OF CONTRACT:** Failure of a party to a contract to comply with the duty he/she assumed by the obligation of the contract.

**CHANGE ORDER:** A written order, signed by the Contracting Officer, directing the contractor to make changes specifically authorized by the Changes clause in the contract which does not require the contractor’s consent. This is a unilateral action.

**CLAIM:** A demand or an assertion of a right by or against the United States; the amount of such demand or assertion; or the making of such a demand or assertion.

**CONSTRUCTION:** Construction means erection, alteration, or repair, including dredging, excavating and painting of buildings, structures, or other real property. For purpose of this definition, the terms “building structures or other real property” include but are not limited to building, structures, and improvements of all types such as bridges, dams, plants, highways,

airport facilities, terminals, docks, piers, wharves, lighthouses, buoys, jetties, breakwaters, canals and channels.

**CONTRACT**: An agreement, enforceable by law, between two or more competent parties, obligating the seller to furnish supplies or services and the buyer to pay for them. Included are all commitments that obligate the Government to an expenditure of funds.

**CONTRACT MODIFICATION**: Any written alteration in the specifications, delivery point, rate of delivery, contract period, price, quantity, or other contract provision of an existing contract, whether accomplished by unilateral action in accordance with a contract provision, or by mutual agreement of the parties. Included are bilateral actions such as change orders, notices of termination, and exercise of options.

**CONTRACTING OFFICER**: An agent of the Government acting within the scope of his authority to enter into, ratify, modify, administer, and terminate contracts in accordance with pertinent laws and regulations. The contracting officer is appointed in writing by the Principal Assistant Responsible for Contracting (PARC). Administration of a contract may be delegated to an Administrative Contracting Officer (ACO) or retained by the Procuring Contracting Officer (PCO).

**DEFAULT**: A Contractor's failure, actual or anticipatory, to perform his obligations under the contract.

**DELIVERY ORDER (D.O.)**: "Mini" contract under a basic contract with specific information for a given task/project.

**EQUITABLE ADJUSTMENT**: The contractor's entitlement to an equitable adjustment under the Changes clause balances the Government's right to make a unilateral change. Since the contractor based his cost/price and performance period on the original conditions of the contract, a change or changes to the contract could throw him into either a windfall profit or a loss unless an equitable adjustment lessens the impact.

An equitable adjustment must be fair to both parties and should represent the value of the change (not necessarily the actual cost).

**EXPRESS AUTHORITY**: Power given in direct terms, definitely, and explicitly, and not left to inference or implication.

**FEDERAL ACQUISITION REGULATION (FAR)**: Regulation establishing uniform policies and procedures for acquisition by all executive agencies.

**GOVERNMENT FURNISHED PROPERTY (GFP)**: Property in the possession of or directly acquired by the Government and furnished to a contractor for the performance of a contract.

**GENERAL AGENT**: One employed to transact all the business of the principal or all of his principal's business of a particular kind or in a particular place.

**HEAD OF CONTRACTING ACTIVITY (HCA):** The official who has overall responsibility for managing the contracting activity. Within TRADOC, the Commander of TRADOC is designated as the HCA. The HCA has redelegated this authority to the PARC except where regulations indicate that the function is not redelegable.

**IMPLIED AUTHORITY:** Power which the principal intends her agents to possess and which is implied in the principal's conduct. It includes only such acts as are incidental and necessary to the exercise of the authority.

**INDEPENDENT CONTRACTOR:** One who, in the exercise of his independent employment contract to do a piece of work according to his own methods and is subject to his employer's control only as the end product or final results of his work.

**INSPECTION:** Examination or testing of supplies and services to determine conformance with contract requirements.

**LEGAL PURPOSE:** An aim consistent with law and sound policy.

**MUTUAL CONSIDERATION:** The concept that each party to the contract has a reason, motive, benefit, or impelling influence for entering into the contract or a change thereto.

**NEGOTIATION:** The method of contracting other than sealed bidding procedures. The process of receiving proposals from offerors and developing a common understanding through bargaining regarding the essentials of a contract, such as delivery, specifications, prices, and terms. The ultimate objective is a mutual agreement for a cost effective product or service in exchange for a fair and reasonable price.

**OFFER:** A definite proposal or undertaking made by one person to another which by its terms is conditional upon an act, forbearance, or return promise given in exchange.

**OFFEREE:** One who receives an offer and must decide to accept or reject it.

**OFFEROR:** One who makes a promise or a proposal.

**OPTIONS:** A contract option is a term of a contract that allows the Government, for a period specified in the contract, to purchase additional supplies or services as set forth in the contract, or to extend the term of the contract.

Options provide the Government with firm prices for additional quantities or periods of performance, but only for a specified period of time. That time period may extend beyond the basic contract period and must be identified in the contract.

**PRINCIPAL:** One who has permitted and directed another (the agent) to act for her benefit and subject to her direction and control such that the acts of the agent become binding on her.

**PRIVITY OF CONTRACT:** The connection or legal relationship that exists between two or more contracting parties.

**PROMISE:** An undertaking, however expressed, either that something shall happen or that something shall not happen in the future.

**PROMISEE:** The person to whom a promise is made.

**PROMISOR:** The person who makes a promise to another.

**PROPERTY ADMINISTRATOR:** An authorized representative of the Contracting Officer assigned to administer the contract requirements and obligations relating to Government property.

**QUALITY ASSURANCE:** The various functions, including inspection, performed by the Government to assure that the contractor has fulfilled his contractual obligations in terms of quantity and quality.

**QUALITY ASSURANCE REPRESENTATIVE (QAR):** Person designated by the Government as the individual responsible for assuring that the contractor meets all quality requirements contained in the contract.

**QUALITY CONTROL:** Those controls employed by the contractor to assure that the product or service conforms to the contract requirements.

**SEALED BID:** A method of contracting that employs competitive bids, public opening of bids, and awards. The process involves preparation of invitations for bids, publicizing the invitation for bids, submission of bids, evaluation of bids, and contract award.

**SPECIAL AGENT:** One employed by the principal to act only in special transactions or for a particular purpose.

**SPECIFICATIONS, PERFORMANCE WORK STATEMENTS (PWS), or STATEMENTS OF WORK (SOW):** A clear and accurate description of the technical requirements for a material, product, or service by which the purchaser can determine whether or not the requirements have been met. It also conveys to bidders/offerors a clear understanding of the nature of the supplies or services to be furnished under a contract.

**STATUTE OF FRAUDS:** Rule of law that certain types of contracts must be in writing to be enforceable by Law.

**SUPPLEMENTAL AGREEMENT:** A contract modification, which is accomplished by mutual action of the contracting parties. This is a bilateral agreement and must be executed by both the contractor and the Contracting Officer.

**TERMINATION:** The act and procedure of canceling all or part of the work that has not been completed and accepted under a contract. Terminations may be either Termination for Convenience or Termination for Default.

**TERMINATION FOR CONVENIENCE:** The termination of a contract in whole or in part when it is in the Government's best interest.

**TERMINATION FOR DEFAULT:** The exercise of the Government's contractual right to completely or partially terminate a contract because of the contractor's actual or anticipated failure to perform its contractual obligations.

**UNAUTHORIZED COMMITMENT:** An agreement that is not binding solely because the Government representative who made it lacked the authority to enter into that agreement on behalf of the government.

**UNENFORCEABLE CONTRACT:** One which satisfies the basic requirements of a valid contract, but which the courts, because of some statutory requirement or some rule of law, are denied the authority to enforce.

**UNILATERAL CONTRACT:** One in which only one of the parties makes a promise. The contract may be a promise for an act or an act for a promise.

**VALID CONTRACT:** One in which all of the essential elements of a contract are present.

**VOID CONTRACT:** One which is a nullity due to the lack of an essential element.

**VOIDABLE CONTRACT:** One which binds one of the parties to the contract but gives to the other party the right, at his election, to withdraw from the contract.

# INSPECTOR AUTHORITY



The Inspector is the eyes, ears, and nose of the Contracting Officer **but not the mouth!**

*Inspectors play an integral role in assuring that the Government  
Receives goods and services that conform to contract specifications.*



# INTRODUCTION

An inspector assists in monitoring contractor performance in order to ensure:

- Delivery or performance of the specified supplies or services
- The level of quality specified
- Adherence to the terms and conditions of the contract (including environmental protection requirements, and public and worker safety and health terms)

Monitoring includes administration of inspections, acceptance testing, and reviewing invoices and other payment issues.

Monitoring does not include controlling the way the contractor performs, except when imminent environmental, safety, or health hazards dictate.

Authority to inspect and accept is derived solely from the Contracting Officer. Careful observance of the scope and limitations of this authority is defined in the (FAR) Federal Acquisition Regulation . The Contracting Officer should be contacted when inspectors are in doubt as to the correct course of action to be taken.

While the Contracting Officer has the legal responsibility for contract administration, the inspector has been delegated authority to inspect and accept. The inspector is responsible to the Contracting Officer and close communication must be maintained. The inspector shall ensure that the Contracting Officer is kept informed of potential problems at all times.

The inspector should be continually aware of his responsibility to act in the best interests of the Government and must work closely with the contractor and Contracting Officer to anticipate and resolve difficulties in order to ensure satisfactory completion of the contract. Most importantly, the inspector must communicate with the Contracting Officer. Failure to inform the Contracting Officer is by far the most common error made by the inspector.

# **RESPONSIBILITIES**

**GENERAL.** An inspector should develop a close working relationship with the Contracting Officer. Inspector responsibilities normally include the following duties.

An inspector should:

- Provide technical assistance to the Contracting Officer.
- 2. Assist requiring activities with preparation of procurement packages for delivery orders against requirements or indefinite delivery type contracts.
- 3. Ensure compliance with the technical requirements of the contract.
- 4. Promptly brief the Contracting Officer on any disagreement with the contractor.
- 5. Inspect and accept services as prescribed in the terms of the contract.
- 6. Maintain detailed record of contractor performance to substantiate payment.

## **RESPONSIBILITIES IN REJECTING FOR NONCONFORMANCE**

- 1. Gather evidence for rejection (ensuring that acceptance has not already occurred or if so that the rejection is based on latent defects or fraud)
- 2. Document reasons for rejection and notify the contractor and the Contracting Officer
- 3. Ensure that no Government official directed changes that could have resulted in rejection

**LIMITATIONS.** An inspector should not:

- 1. Clarify, make, or infer legal interpretations on the scope or intent of the contract for the contractor.
- 2. Approve the contractor's procedures which change/differ from contract specifications.
- 3. Authorize any expenditure of funds.
- 4. Levy or impose any task not specifically provided for in the contract.
- 5. Enter into contractual agreements with the contractor.
- 6. Issue directives to the contractor which alter or exceed contract terms or conditions.

7. Offer advice or recommendations to the contractor that could directly or indirectly affect pending Contracting Officer determinations as to fault or negligence.
8. Supervise the contractor's personnel.

**LIABILITY.** Contracting Officers are the only persons authorized to bind the U.S. Government; therefore, inspectors are reminded that they are not authorized to issue directives or instructions to contractors. Inspectors should be aware that liabilities which may result from an unauthorized act by an inspector shall be assumed by the parties involved, not the U. S. Government.

**LIMITATION OF AUTHORITY TO MODIFY CONTRACTS.** The inspector is not empowered to award, agree to, or sign any contract or modification, or in any way obligate the Government. The inspector must carefully avoid any action which the contractor might assume is permission to alter, reduce, or increase the work required in the contract.

# **RESOLVING PROBLEMS ON CONTRACTS**

**INSPECTOR'S ROLE.** The inspector's monitoring and communication efforts afford all parties many options for problem resolution, as well as the chance to minimize delay by revising plans at an early stage in contract performance.

The contractor can respond to the allegation of a performance problem in one of two ways. He may agree that the contract requirements are not being met or he may disagree. When he agrees, he will generally proceed to find a way to remedy the deficiency.

The inspector should discuss the matter with the contractor and find out the basis for the contractor's position. If the inspector believes the contractor has a reasonable basis such as ambiguity or conflict in requirements, the inspector should discuss the matter with the Contracting Officer to see what course of action should be taken.

A contract change may be required to correct the problem. If additional funds and changes in the performance terms are required, the inspector must initiate action to obtain those funds, and changes to the terms. In addition the inspection must advise all pertinent parties that the scheduled completion date may be extended.

If the inspector instead feels that the contractor's position has no reasonable basis, he should advise the contractor of the need for corrective action in accordance with existing contract terms.

If he disagrees, and informal means cannot dissuade him, the formal process is covered by the Contract Disputes Act.

# **COMMUNICATING WITH THE CONTRACTOR**

## **FORMAL COMMUNICATION**

Only the Head of the Contracting Activity (HCA), Contracting Officer, Contracting Officer's Representative, or inspector can communicate with the prime contractor. Only a prime contractor can communicate with a subcontractor. Government directives that impact the subcontractor must flow through the prime. This is the doctrine of privity of contract.

## **INFORMAL COMMUNICATION**

Informal communication does not bind the Government unless the contractor is given to believe that it does. When a Contracting Officer or inspector is engaging in informal communications, it is important to leave a clear impression that the communications is nonbinding.

# MONITORING OF CONTRACTOR PERFORMANCE

The most important role of the inspector is the monitoring of contractor performance and communicating to the contractor and the Contracting Officer any deficiencies. The inspector can keep the contractor mindful of the incentives to perform a quality job in a timely fashion at a reasonable price.

While the Government has the right to inspect at any time, the inspector should be very familiar with the Inspection clause or inspection provisions of the contract to insure the Government neither waives its rights nor interferes with the performance of the contractor. **The inspector must also know his own limits in this area as many problems have been caused when the inspector directs the contractor therefore going beyond monitoring performance.**

The inspector is often a help by being present to answer questions from the contractor on interpretations of the specifications and thereby promptly resolving otherwise complicated and often compounded problems. To perform this function the inspector needs to be aware of a number of specialized areas but above all should refer to the contract.

Whatever the method of inspection, once the Government has accepted the item, i.e., taken title to it, the Government is bound by the decision unless the defect can be shown to be latent (hidden at time of inspection) or in case the contractor is convicted of fraud in court.

The right to have the contractor correct non-conforming items should not be exercised without thought. In a cost-reimbursement contract the cost is usually borne by the Government and not at the contractor's expense. In addition, the doctrine of economic waste may direct acceptance of a slightly non-conforming item at a reduced price to the Government.

Finally, following closely the terms of the contract will ensure the inspector's performance and records will stand the Government in good stead in case of a termination of default action or a claim against the Government.

# ACCEPTANCE

Acceptance means the Government takes title to the supplies or work and forms the basis for payment.

Acceptance is based on either strict compliance with the contract specifications or a subjective standard. The doctrine of economic waste can bring about the last. If the Government can live with the work and it is more expensive to tear out and replace it may be in the Government's interest to accept it as non-conforming at a reduced price.

Acceptance or rejection must be made as promptly as possible. The Government's failure to perform within a reasonable time can result in implied acceptance.

A notice of rejection must be provided to the contractor when the performance has been found unacceptable.

A receiving report is the usual written evidence of final acceptance. An invoice copy signed by an authorized official can serve as an acceptance document only if the terms of the contract allow it.

Acceptance once declared is conclusive or final unless a clause in the contract conditions acceptance on the possible existence of latent defects or fraud. If the defects are obvious and the official authorized to accept signs off, the Government generally is bound by the acceptance.

Latent defects are ones that are not observable by a reasonable inspection at the time of acceptance. The burden of proof is on the Government to show that the defects were latent at the time of inspection.

Acceptance can be revoked if fraud is proven. Prosecution of fraud is the responsibility of the Justice Department and is not a civil or contractual matter. After a contractor is convicted of fraud, the Government can revoke the acceptance and require the contractor to reimburse it for all items fraudulently supplied and accepted under a fixed-price contract. If, however, the contract was a cost-reimbursement contract, the Government must bear the cost of correcting the defective work.

# **TECHNICAL INTERPRETATION OF CONTRACT REQUIREMENT**

The inspector assists the contractor in interpreting technical requirements of the contract's scope of work. This can be either because the contractor requests clarification or because the inspector notices a deficiency in performance as a result of a misinterpretation on the contractor's part.

However, if the interpretation results in an increase in costs to the contractor, a change in the contract scope, or an entrenched disagreement the inspector must inform the Contracting Officer. The inspector can make a recommendation but it is up to the Contracting Officer to resolve it.

If the contract is silent on a method of performance, the inspector should not be drawn into advising an acceptable method. This can lead to a constructive change. Constructive changes are not considered authorized orders, but are also not subject to the normal ratification process. They can be the basis for claims by contractors, and will necessitate the inspector providing a written explanation of the circumstances surrounding the constructive change.



# **DIFFERING SITE CONDITIONS**

**CONCEPT** – Construction consists of many subsurface and latent conditions which can not be seen or predicted. Offerors must be able to base their prices on known conditions or situations in this firm-fixed-price environment. The Government includes the clause “Differing Site Conditions” to reduce padding for contingency by offerors otherwise seeking to protect themselves from the unknown. The clause states the Government will compensate the contractor for the costs of a site condition differing from the expected.

**CATEGORY I** – Category I differing site conditions are subsurface or latent physical conditions at the sites which differ materially from those indicated in the contract.

**CATEGORY II** – Category II differing site conditions are unknown physical condition at the site of an unusual nature which differs materially from those ordinarily encountered in that particular job.

**WHO PREVAILS?** To prevail contractors must be able to show that

- The condition was unknown and not observable
- If they did not attend a site visit that the site visit would not have revealed the differing site condition
- A prudent person in the conduct of ordinary business would have been unaware of the differing site.

# SUSPENSION OF WORK

All fixed-price construction contracts include a clause entitled "Suspension of Work". It allows the **Contracting Officer** to formally suspend a contractor's performance for a reasonable period of time.

The clause allows an equitable adjustment (cost less profit) if the suspension is unreasonable.

The clause also permits the contractor to claim informal (unofficial and unwritten) or *constructive* suspension of work on such occasions as the Government's late delivery of Government Furnished Equipment or Material, the Government's not allowing the contractor access to certain work areas, Government delay in approval of shop drawings or submittals and Government delay in addressing problems with specifications.

The contractor may look to this clause as relief for added costs in performance of the contract. In that this is an area of potential conflict, the inspector's records, once again, can make a substantial difference. The records could show that the contractor was not harmed even in instances where delay on the Government's part can be proved.

## FAR 52.242-14 SUSPENSION OF WORK (APR 1984)

- (a) The Contracting Officer may order the Contractor, in writing, to suspend, delay, or interrupt all or any part of the work of this contract for the period of time that the Contracting Officer determines appropriate for the convenience of the Government.
- (b) If the performance of all or any part of the work is, for an unreasonable period of time, suspended, delayed, or interrupted (1) by an act of the Contracting Officer in the administration of this contract, or (2) by the Contracting Officer's failure to act within the time specified in this contract (or within a reasonable time if not specified), an adjustment shall be made for any increase in the cost of performance of this contract (excluding profit) necessarily caused by the unreasonable suspension, delay, or interruption, and the contract modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the Contractor, or for which an equitable adjustment is provided for or excluded under any other term or condition of this contract.
- (c) A claim under this clause shall not be allowed (1) for any costs incurred more than 20 days before the Contractor shall have notified the Contracting Officer in writing of the act or failure to act involved (but this requirement shall not apply as to a claim resulting from a suspension order), and (2) unless the claim, in an amount states, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under the contract.

(End of clause)

# **LIQUIDATED DAMAGES**

Liquidated damages are amounts agreed to and settled in advance to avoid litigation. They are based on the amount of damage one party may incur if the other does not complete the contract on time.

They are required in construction contracts in excess of \$500,000 but may be used in lesser contracts as appropriate.

Determined prior to award on the contract, liquidated damages are estimates rather than actual damages.

When a contractor does not perform on time the Government is entitled to recover liquidated damages for every day delayed (within reason).

**WHO PREVAILS?** Boards of contract Appeals will enforce liquidated damages if all of the following factors pertain:

- Attempts are fair in establishing just compensation for anticipated loss where actual damages are uncertain.
- Damages are not a penalty but based on a reasonable relationship to the anticipated damages.
- By clause the contract limits the amount of liquidated damages that can be assessed a contractor.

**EXCUSABLE DELAYS** – The contractor may have an excusable delay to exempt or reduce the Government's recovery of liquidated damages. Delays caused by acts of God or unusually severe weather conditions can be claimed. For this reason the inspector's thorough record keeping of weather conditions or any other conditions that may affect the completion of work may mean the difference between recovery of liquidated damages and forfeiture.

# **TERMINATING OR HALTING PERFORMANCE**

Although there are several methods of terminating or halting performance on a contract, the two most important with regard to adequate contract administration on Government contracts are Termination for Convenience and Termination for Default.

In a Termination for Convenience the Government desires to end the contract. If the Government ends the contract, it is contractually obligated to compensate the contractor the costs that are listed in the clause that authorizes the termination.

The Government also reserves the right to terminate a contract if a contractor has failed to meet his obligations or duties. This action is known as a Termination for Default and obligation shifts from the Government to the contractor. As specified in the clause a contract cannot be terminated if the contractor has an excusable delay. Contracts that have been improperly defaulted are converted to terminations of convenience and shift the obligation back to the Government.

# DOCUMENTING THE INSPECTOR FILE

The following are tips to remember in maintaining your contract file:

- Include the contract number on each record and all correspondence relating to the contract.
- Be sure that the Contracting Officer receives a copy of all correspondence.
- The utmost care must be given to proprietary data, as well as classified and business-sensitive information.
- **Don't rely on your memory** – document events on the day or next working day after they occur.
- Document telephone conversations.
- Be prepared to take notes on even informal meetings
- When keeping records on your computer create separate files for each contract and identify each for ready access when speed in gathering materials together is a factor.

# CONDUCT AND INTEGRITY

**OVERVIEW.** All personnel engaged in contracting and related activities must conduct business dealings in a manner above reproach and shall protect the Government's interests and maintain its reputation for fair dealings with contractors.

**CONFLICTS OF INTEREST. (JOINT ETHICS REGULATION)** Government business shall be conducted with complete impartiality and with preferential treatment for none. Transactions relating to the expenditure of public funds require the highest degree of public trust and an impeccable standard of conduct. The general rule is to strictly avoid any conflict of interest or even the appearance of a conflict of interest between an individual's private affairs and public duty. While many Federal laws and regulations place restrictions on the actions of Government personnel, their conduct must, in addition, be such that they would have no reluctance to make a full public disclosure of their actions. No Government employee may solicit or accept, directly or indirectly, any gratuity, gift, favor, entertainment, loan, or anything of monetary value from anyone who:

- (a) has or is seeking to obtain government business with the employee's agency,
- (b) conducts activities that are regulated by the employee's agency, or
- (c) has interests that may be substantially affected by the performance or non-performance of the employee's official duties.

The Joint Ethics Regulation, further explains gifts and gratuities and the prohibition against procurement officials and related activity officials accepting certain offers of employment and economical benefits from competing contractors.

# **DO'S AND DON'TS**

The DO's and DON'Ts connected with the performance of inspection functions are endless, and each problem an inspector encounters introduces new DO's and DON'Ts. For this reason, one of the most important prerequisites for appointment as an inspector is the ability to exercise mature judgement. The following DO's and DON'Ts, are intended to assist the inspector in the performance of his duties. \*Hereafter the Contracting Officer shall be expressed as the CO.

DO understand the limitations of your authority.

- 2) DO maintain open communication with the (CO). You are on the same team and can learn from one another.
- 3) DO have a complete copy of the contract and all modifications readily available.
- 4) DO become familiar and remain current on the terms, conditions and requirements of the contract.
- 5) DO give prompt attention to correspondence from the CO as well as the contractor.
- 6) DO attend any scheduled meetings between the contractor and the CO. Coordinate prior to the meeting with the CO any agenda items you wish to address.
- 7) DO maintain contact with requiring activities to ensure the contractor is performing satisfactorily.
- 8) DO ensure the work performed by the contractor complies with the contract specifications.
- 9) DO complete required performance reports thoroughly and accurately to enable the CO to properly evaluate the contractor.
- 10) DO enforce correction of deficient work. Be cautious, however, in that you are not authorized to personally supervise any contractor employee.
- 11) DO assure that the contractor responds in a timely manner; however, do not intimidate. Coordinate with the CO and rely on him to apply pressure.
- 12) DO report personnel deficiencies to the CO.
- 13) DO promptly verify that the Government receives services for which the contractor is being paid.
- 14) DO assure that subcontractors are doing their job. Observe the manner and degree of supervision that the contractor exercises over his subcontractor. This is the contractor's responsibility and if his control and supervision are not adequate, report it to the CO.

- 15) DO inform the contractor and CO immediately when you become aware of any unsatisfactory performance. The CO will assist you in obtaining corrective action. Differences of opinion between you and the contractor that cannot be resolved at your level should be referred to the CO. Make it clear to him that both of you must abide by the decisions of the CO.
- 16) DO report to the CO any labor disputes or problems which have a potential for impairing the contractor's ability to perform.
- 17) DO keep the CO fully informed of any problem areas connected with the contractor's performance.
- 18) DON'T supervise or tell the contractor how to run his/her operation. This is their responsibility, and they are being paid in part for their management ability.
- 19) DON'T threaten the contractor or the contractor's employees with potential job loss by replacement with another contractor.
- 20) DON'T let personalities influence your discussions with the contractor or your reports to the CO of contractor performance.
- 21) DON'T permit the contractor to proceed on his own or work outside the scope of the contract. It may be in the contractor's interest to exceed his contractual limitation with the intention of claiming additional consideration for the additional effort. Coordinate immediately with the CO.
- 22) DON'T be overly harsh or overly lenient. Be fair and reasonable.
- 23) DON'T divulge any sensitive or proprietary information.
- 24) DON'T accept any gratuities from the contractor or his employees.
- 25) DON'T negotiate or make changes to a contract.
- 26) DON'T authorize the expenditure of funds.
- 27) DON'T make legal interpretations as to scope/intent of contract.
- 28) DON'T impose any tasks not specifically provided for in the contract.
- 29) DON'T issue directives to the contractor.
- 30) DON'T allow the contractor to perform after the contract has lapsed/expired.



# **SUMMARY**

The inspector must communicate constantly with the Contracting Officer to apprise him of real or potential problems in performance, requirements for contract changes, and other important events and situations.

The inspector must also communicate with the contractor to answer questions and initiate technical guidance, but must practice a degree of sensitivity in such communication to ensure that personal services are not rendered, that constructive changes do not result from technical guidance, that proper procedures are followed to implement changes, and that the Government is protected by accurate documentation of all communication.

The inspector as a representative of the government or liaison between the Government and the contractor needs to adhere to ethical principles in his conduct. Taking care to go beyond mere compliance may save the inspector and the Government unpleasantness but the inspector should also keep in mind that some of these principles are backed by rules the violation of which could be embarrassing at best and at worst grounds for criminal sanctions.

The main concerns for an inspector in this area are:

- Treating contractors impartially
- Not accepting gratuities
- Not discussing employment opportunities
- Avoiding conflicts of interest
- Safeguarding source selection or proprietary information